

Lawsuit Updates

Unfair competition relief awarded for products the trade dress of which was imitated

(Shanghai Higher People's Court's Civil Judgment No. Fugaominsan (zhi) zhongzi 100/2008)

In the case, the defendant, a Ningbo-based writing tool corporation made and marketed the 681 type water pen, which was similar to the "Chengguang" K-35 type pen made and marketed by the plaintiff, the Shanghai-based Stationery Manufacturing Corporation. The court finally decided that the acts were unauthorized use of a trade dress similar to that particular to the famous goods, and constituted one of unfair competition.

The plaintiff argued that the pen it made was reputable goods, and the water pen in suit was identical therewith in structure. Globally, the two were substantially identical, so it sued on the ground that the defendant had used, without authorization, the name, package and trade dress particular to its reputable goods.

The case was heard by the Shanghai No. 2 Intermediate People's Court and Shanghai Higher People's Court, and the second-instance court hearing was closed on 20 October 2008. The court held that the "Chengguang" K-35 type

pen, reputable to an extent in the market, was reputable goods; the plaintiff's wide publicity and sale had already helped establish clear and fixed association of parts of the pen (the clips and the decorative ring of the original design) with the source of the goods; these parts had the distinctive character showing the source of the goods; the trade dress of said goods was one particular to the goods; the defendant used, without authorisation, the trade dress similar to the one particular to the reputable goods on the 681 type water pen it made and marketed; and the act was sufficient to mislead the consumers about the source of the goods when they were doing their purchase. The defendant's act constituted one of unfair competition. Accordingly, the court decided that the defendant immediately cease its act of unfair competition by imitating the trade dress particular to the reputable goods, and pay the plaintiff RMB 100,000 in compensation of its financial damage.

SWAROVSKI accorded cross-class protection as well-known mark

(Beijing No. 2 Intermediate People's Court Civil Judgment No. Erzhongminchuzi 10067/2008)

Swarovski, a world famous crystal ornaments manufac-

turer, was incorporated in 1895. It entered the market in mainland China in the 1980s, and was granted the registration of its word mark “SWAROVSKI” in 1987, and its Chinese word mark “施华洛世奇” (pronounced as “shi hua luo shi qi”) in 1989, and the words and device mark “施华洛世奇 SWAROVSKI” in 2004 as designated to be used in respect of natural and artificial gem, jewelry, artificial jewelry and ornaments.

In 2007, Swarovski found that the Beijing Shihualuo Wedding Photography Corporation, an enterprise whose trade name was similar to Swarovski’s Chinese mark, had used the word similar to its registered trademark as part of the enterprise name in its corporate website, advertising and publicity, so Swarovski sued in the court. Considering that cessation of the alleged infringing acts involved cross-class protection of its trademarks, Swarovski, when bringing the action, requested the court to have established its trademarks as well-known marks, and, in the meanwhile, requested the court to order Beijing Shihualuo Wedding Photography Corporation to cease the trademark infringement and the act of unfair competition, and pay RMB 300,000 yuan in compensation of its financial damage.

During the court hearing, the defendant presented a word and device mark “施華洛” (also pronounced as “shi hua luo”) registered in 2006, and the evidence showing that

the defendant was licensed to use the same, and defended that in the case the right in suit should be first determined by the pertinent administrative authority, and the court should not have accepted the case.

In its hearing the case, the court rejected the defendant’s defence mainly on the ground that the defendant used a part of the plaintiff’s registered mark in respect of its relevant services, and this part constituted a mark similar to the plaintiff’s registered marks. According to the pertinent judicial interpretations, the court might directly render its judgment under the circumstance. Based on this, the court held that the defendant’s act to separately and conspicuously use the “施華洛”, “施华洛” (with the same pronunciation) and “SWAROV” word marks had infringed the plaintiff’s exclusive right to use its registered marks, and ruled that the defendant should not separately and conspicuously use the “施華洛”, “施华洛” and “SWAROV” word marks, should not use its domain name containing the “SWAROV” word on the internet, should not use the Chinese character therefor as its trade name, and should pay the plaintiff RMB 210,00 yuan in compensation of its financial economical damage.